

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

**FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT**

December 31, 2011

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTAL INFORMATION	
COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	15
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	17
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	18
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	20
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	22

Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

Concerned Citizens For A Better Algiers, Inc.

We have audited the accompanying statement of financial position of Concerned Citizens For A Better Algiers, Inc. (a non-profit corporation) as of December 31, 2011 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Concerned Citizens For A Better Algiers, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Corporation's 2010 financial statements and, in our report dated June 29, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concerned Citizens For A Better Algiers, Inc. as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 9, 2012, on our consideration of Concerned Citizens For A Better Algiers, Inc.'s internal control structure over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the U.S. Office of Management and

Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is not a required part of the financial statements as a whole. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana

May 9, 2012

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2011

ASSETS

		TOTAL MEMORANDUM ONLY
		<u>December 31, 2010</u>
Cash	\$ 300,660	\$ 173,604
Receivable		
Grants (Notes A4 and B)	290,489	409,752
Employees	<u>8,208</u>	<u>10,313</u>
	<u>298,697</u>	<u>420,065</u>
Prepaid expenses	19,839	8,139
Land, buildings, and equipment – at cost (Notes A5, C and D)	<u>2,801,829</u>	<u>2,883,319</u>
Total assets	<u>\$ 3,421,025</u>	<u>\$ 3,485,127</u>

LIABILITIES AND NET ASSETS

Notes payable (Note D)	\$ 127,560	\$ 135,819
Accounts payable and accrued liabilities	<u>29,835</u>	<u>50,028</u>
Total liabilities	<u>157,395</u>	<u>185,847</u>
Contingencies (Note G)	-	-
Net assets	280,869	355,037
Unrestricted	<u>2,982,761</u>	<u>2,944,243</u>
Temporarily restricted (Note E)	<u>3,263,630</u>	<u>3,299,280</u>
Total net assets	<u>\$ 3,421,025</u>	<u>\$ 3,485,127</u>
Total liabilities and net assets		

The accompanying notes are an integral part of this financial statement.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2011

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>TOTAL MEMORANDUM ONLY</u> For the year ended December 31, 2010
REVENUES				
Grant appropriations	\$ -	\$ 904,407	\$ 904,407	\$ 996,260
Contributions	10,144	-	10,144	11,830
Other	17,534	194,487	212,021	260,844
Net assets released from restrictions	<u>1,060,376</u>	<u>< 1,060,376 ></u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>1,088,054</u>	<u>38,518</u>	<u>1,126,572</u>	<u>1,268,934</u>
EXPENSES				
Salaries	499,416	-	499,416	517,249
Fringe benefits	127,324	-	127,324	133,919
Travel	2,534	-	2,534	5,594
Insurance	68,713	-	68,713	70,367
Professional services	123,955	-	123,955	123,216
Occupancy	35,838	-	35,838	41,070
Telephone	15,177	-	15,177	16,562
Bank charges	833	-	833	2,314
Food	31,343	-	31,343	30,216
Supplies	40,899	-	40,899	51,457
Equipment	125,137	-	125,137	135,237
Trash removal	1,362	-	1,362	1,386
Vehicle expense	16,986	-	16,986	14,435
Interest	8,551	-	8,551	8,696
Other costs	5,346	-	5,346	12,499
Repairs and maintenance	<u>58,808</u>	<u>-</u>	<u>58,808</u>	<u>100,613</u>
TOTAL EXPENSES	<u>1,162,222</u>	<u>-</u>	<u>1,162,222</u>	<u>1,264,830</u>
Increase <decrease> in net assets	< 74,168 >	38,518	< 35,650 >	4,104
Net assets, beginning of year	<u>355,037</u>	<u>2,944,243</u>	<u>3,299,280</u>	<u>3,295,176</u>
Net assets, end of year	<u>\$ 280,869</u>	<u>\$ 2,982,761</u>	<u>\$ 3,263,630</u>	<u>\$ 3,299,280</u>

The accompanying notes are an integral part of this financial statement.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2011

Increase <decrease> in cash and cash equivalents

Cash flows from operating activities:

Decrease in net assets \$ < 35,650>

Adjustments to reconcile decrease in net assets to net cash
provided by operating activities:

Depreciation \$ 109,288

Changes in assets and liabilities:

Decrease in grants receivable 119,263

Decrease in employee receivables 2,105

Increase in prepaid expenses < 11,700>

Decrease in accounts payable and accrued liabilities < 20,193> 198,763

Net cash provided by operating activities 163,113

Cash flows from investing activities:

Acquisition of equipment < 27,798>

Net cash used in investing activities < 27,798>

Cash flows from financing activities:

Payments on notes payable < 8,259>

Net cash used in financing activities < 8,259>

Net increase in cash and cash equivalents 127,056

Cash and cash equivalents, beginning of year 173,604

Cash and cash equivalents, end of year \$ 300,660

Cash flow information:

Interest paid during the year \$ 8,551

The accompanying notes are an integral part of this financial statement.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Nature of Activities

Concerned Citizens For A Better Algiers, Inc. is a non-profit corporation organized under the laws of the State of Louisiana. The corporation is organized to raise the economic, educational and social levels of the residents of the Algiers Community; and to foster and promote community-wide interest and concern for the problems of terminally ill residents.

2. Presentation of Financial Statements

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in the FASB ASC 958. Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed stipulations that may or will be met either by actions of the corporation and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that the corporation maintains them permanently. Generally, the donors of these assets permit the corporation to use all or part of the income earned on related investments for general or specific purposes.

There were no permanently restricted net assets.

3. Revenue Recognition

For financial reporting, the corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

5. Building and equipment

Concerned Citizens For A Better Algiers, Inc. records property acquisitions at cost. Donated items are recorded at estimated value at date of donation. Depreciation is provided for in amounts sufficient to relate the costs of depreciable assets to operations over their estimated service lives, on a straight-line basis. Depreciation expense for the year ended December 31, 2011 totaled \$109,288.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

6. Cash equivalents

For the purpose of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Fair Values of Financial Investments

Cash and cash equivalents carrying amounts reported in the balance sheet approximate fair values because of the short maturities of those instruments.

9. Functional Allocation of Expenses

The expenses of providing the program and other activities have been summarized on a functional basis in the footnote of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

10. Subsequent Events

The subsequent events of the corporation were evaluated through the date the financial statements were available to be issued (May 9, 2012).

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Total Columns – Memorandum Only

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in those columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - GRANTS RECEIVABLE

Grants Receivable at December 31, 2011 consist of the following:

Unity of Greater New Orleans, Inc.	\$ 12,500
City of New Orleans	<u>277,989</u>
	<u>\$ 290,489</u>

NOTE C – LAND, BUILDING, AND EQUIPMENT

Land, buildings and equipment consists of the following:

Buildings	\$ 3,228,477
Transportation equipment	51,957
Equipment	<u>1,905</u>
	3,282,339
Less accumulated depreciation	<u>< 672,847 ></u>
	2,609,492
Land	<u>192,337</u>
	<u>\$ 2,801,829</u>

NOTE D – NOTES PAYABLE

Notes payable at December 31, 2011 consist of the following:

Note payable to financial institution is a \$200,000 revolving line of credit due April, 2013, with an interest rate of 3.75%.	\$ 50,000
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Note payable to financial institution, monthly payable of \$1,256, including interest and principal, interest rate at 7.5%, due October 27, 2014.	\$ 77,560
	<u>\$ 127,560</u>

The notes payable are secured by real estate costing \$1,665,310.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE D – NOTES PAYABLE - CONTINUED

The aggregate maturities of the notes payable consist of the following:

<u>Year ended</u>	
2012	\$ 10,555
2013	61,234
2014	<u>55,771</u>
	<u>\$ 127,560</u>

The interest expense for the year ended December 31, 2011 totaled \$8,551.

NOTE E – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2011:

Insurance – restricted	\$ 60,924
Property and equipment	2,912,643
Ryan White	<u>9,194</u>
	<u>\$ 2,982,761</u>

NOTE F – FUNCTIONAL EXPENSES

Functional expenses for the year ended December 31, 2011 are as follows:

Program services	
Housing opportunities for people with AIDS	\$ 1,064,293
Supportive services	
Management and general	<u>97,929</u>
	<u>\$ 1,162,222</u>

NOTE G – CONTINGENCIES

During 2012, a lawsuit was filed by a former developer for a project that was terminated prior to its construction phase. The project was terminated due to lack of funding. Legal counsel believes the potential for loss is undeterminable at this time.

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE H - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE I - BOARD OF DIRECTORS COMPENSATION

The board of directors is a voluntary board; therefore, no compensation was paid to any member.

NOTE J - ECONOMIC DEPENDENCY

The corporation received the majority of its revenue from funds provided through grants administered by the City of New Orleans and other nonprofit entities. The grant amounts are appropriated each year by the federal government. If significant budget cuts are made at the federal level, the amount of funds the organization receives could be reduced significantly and have an adverse impact on its operation. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation is supported primarily through government grants. Approximately 80% of the corporation's support for the year ended December 31, 2011 came from these grants.

NOTE K - FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) and Accounting Standards Codification (ASC) as set forth in FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

<u>Fair Value Measurement of Reporting Date</u>				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial Assets:				
Cash and cash equivalents	\$ 300,660	\$ 300,660	\$ -	\$ -
Receivables	298,697	298,697	-	-
Financial Liabilities:				
Accounts payment and accrued liabilities	< 29,835>	< 29,835>	-	-
	<u>\$ 569,522</u>	<u>\$ 569,522</u>	<u>\$ -</u>	<u>\$ -</u>

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2011

NOTE K – FAIR VALUES OF FINANCIAL INSTRUMENTS - CONTINUED

The assumptions to estimate fair values are as follows:

1. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
2. Receivables and liabilities are carried at amounts that approximate fair value due to their short-term nature and generally negligible credit risk.

SUPPLEMENTAL INFORMATION

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

**COMBINED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

For the year ended December 31, 2011

	<u>GENERAL</u>	<u>HOPWA</u>	<u>UNITY OF GREATER NEW ORLEANS, INC.</u>
REVENUES			
Grant appropriations	\$ 8,851	\$ 778,323	\$ 25,000
Other	<u>27,678</u>	<u>11,830</u>	<u>-</u>
TOTAL REVENUES	<u>36,529</u>	<u>790,153</u>	<u>25,000</u>
EXPENSES			
Salaries	715	452,160	25,000
Fringe benefits	8,669	117,094	-
Travel	111	2,423	-
Insurance	8,695	34,139	-
Professional services	28,045	36,025	-
Occupancy	4,590	29,152	-
Telephone	1,697	12,880	-
Bank charges	112	721	-
Food	19,513	11,830	-
Supplies	8,247	29,054	-
Equipment	2,295	12,737	-
Trash removal	-	1,362	-
Vehicle expense	2003	14,983	-
Interest	2,164	-	-
Other costs	2,912	2,301	-
Repairs and maintenance	<u>8,161</u>	<u>18,262</u>	<u>-</u>
TOTAL EXPENSES	<u>97,929</u>	<u>775,123</u>	<u>25,000</u>
Increase <decrease> in net assets	< 61,400>	15,030	-
Transfer to/from general	< 970>	970	-
Capitalization of transportation equipment	< 11,798>	< 16,000>	-
Net assets, beginning of year	<u>355,037</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 280,869</u>	<u>\$ -</u>	<u>\$ -</u>

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

**COMBINED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS - CONTINUED**

For the year ended December 31, 2011

	<u>RYAN WHITE</u>	<u>INSURANCE RESTRICTED</u>	<u>PROPERTY AND EQUIPMENT</u>	<u>TOTAL</u>
REVENUES				
Grant appropriations	\$ 92,233	\$ -	\$ -	\$ 904,407
Other	-	-	182,657	222,165
TOTAL REVENUES	<u>92,233</u>	<u>-</u>	<u>182,657</u>	<u>1,126,572</u>
EXPENSES				
Salaries	21,541	-	-	499,416
Fringe benefits	1,561	-	-	127,324
Travel	-	-	-	2,534
Insurance	-	-	25,879	68,713
Professional services	56,876	-	3,009	123,955
Occupancy	530	-	1,566	35,838
Telephone	600	-	-	15,177
Bank charges	-	-	-	833
Food	-	-	-	31,343
Supplies	1,931	-	1,667	40,899
Equipment	-	-	110,105	125,137
Trash removal	-	-	-	1,362
Vehicle expense	-	-	-	16,986
Interest	-	-	6,387	8,551
Other costs	-	-	133	5,346
Repairs and maintenance	-	-	32,385	58,808
TOTAL EXPENSES	<u>83,039</u>	<u>-</u>	<u>181,131</u>	<u>1,162,222</u>
Increase <decrease> in net assets	9,194	-	1,526	< 35,650>
Transfer to/from general	-	-	-	-
Capitalization of transportation equipment	-	-	27,798	-
Net assets, beginning of year	<u>-</u>	<u>60,924</u>	<u>2,883,319</u>	<u>3,299,280</u>
Net assets, end of year	<u>\$ 9,194</u>	<u>\$ 60,924</u>	<u>\$ 2,912,643</u>	<u>\$ 3,263,630</u>

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2011

<u>PROGRAM TITLE</u>	<u>GRANTOR PASS THROUGH CONTRACT NO.</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Funds passed through City of New Orleans:			
Housing Opportunities For People with Aids	HOPWA-020C	14.241	\$ 790,153
Audit	-	14.239	7,608
Passed through Unity of Greater New Orleans, Inc.:			
Supportive Housing Program	LA23028	14.235	<u>25,000</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>822,761</u>
U. S. DEPARTMENT OF HEALTH AND AND HUMAN SERVICES			
Funds passed through City of New Orleans			
Ryan W. White Title I	-	93.118	<u>83,039</u>
TOTAL U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>83,039</u>
Total Federal Awards			<u>\$ 905,800</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.

Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Board of Directors
Concerned Citizens For A Better Algiers, Inc.

We have audited the financial statements of Concerned Citizens For A Better Algiers, Inc., as of and for the year ended December 31, 2011, and have issued our report thereon dated May 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Concerned Citizens For A Better Algiers, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Concerned Citizens For A Better Algiers, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Concerned Citizens For A Better Algiers, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Concerned Citizens For A Better Algiers, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
May 9, 2012

Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Independent Auditor's Report

Board of Directors
Concerned Citizens For A Better Algiers, Inc.

Compliance

We have audited Concerned Citizens For A Better Algiers, Inc.'s compliance with the types of compliance requirements described in the "OMB Circular A-133 Compliance Supplement" that could have a direct and material effect on each of Concerned Citizens For A Better Algiers, Inc.'s major federal programs for the year ended December 31, 2011. Concerned Citizens For A Better Algiers, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Concerned Citizens For A Better Algiers, Inc.'s management. Our responsibility is to express an opinion on Concerned Citizens For A Better Algiers, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Concerned Citizens For A Better Algiers, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Concerned Citizens For A Better Algiers, Inc.'s compliance with those requirements.

In our opinion, Concerned Citizens For A Better Algiers, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of Concerned Citizens For A Better Algiers, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Concerned Citizens For A Better Algiers, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in

accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Concerned Citizens For A Better Algiers, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonably possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Justin J. Scanlon, CPA, LLC

New Orleans, Louisiana
May 9, 2012

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2011

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued

Unqualified

Internal control over financial reporting:

- | | | |
|---|-----------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |
| Noncompliance material to financial statements noted? | <u> </u> yes | <u> X </u> no |

Federal Awards

Internal control over major programs:

- | | | |
|---|-----------------|----------------------------|
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of OMB Circular A-133?

 yes X no

Identification of major programs:

CFDA Number(s)

Name of Federal
Program or Cluster

U. S. Department of Housing and Urban Development
Passed through City of New Orleans:
Housing Opportunities for People with Aids

14.241

Dollar threshold used to distinguish between type A and B
programs:

\$300,000

Auditee qualified as low-risk auditee?

 yes X no

CONCERNED CITIZENS FOR A BETTER ALGIERS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended December 31, 2011

B. FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the year ended December 31, 2011.

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no items identified in the course of our testing during the current year required to be reported.

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.